

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1937

No. 458

MILTON COVERDALE, SHERIFF AND EX-OFFICIO  
TAX COLLECTOR, APPELLANT,

vs.

ARKANSAS-LOUISIANA PIPE LINE COMPANY

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR  
THE WESTERN DISTRICT OF LOUISIANA

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[fol. 1]

IN UNITED STATES DISTRICT COURT, WESTERN  
DISTRICT OF LOUISIANA

In Equity. No. 615

ARKANSAS-LOUISIANA PIPE LINE COMPANY,

vs.

MILTON COVERDALE, Sheriff and Ex-Officio Tax Collector

BILL OF COMPLAINT—Filed October 15, 1934

To the Honorable Ben C. Dawkins, Judge of the United States District Court in and for the Western District of Louisiana:

The petition of Arkansas-Louisiana Pipe Line Company, a Delaware corporation qualified to do business in Louisiana, with respect represents:

1

That petitioner is a citizen and resident of the state of Delaware, and that Milton Coverdale, Sheriff of the Parish of Ouachita, Louisiana, defendant herein, is a citizen and resident of the Parish of Ouachita within the Western District of Louisiana.

2

That the amount in controversy herein exceeds the sum of Three Thousand (\$3000.00) Dollars.

3

That petitioner is engaged in the states of Louisiana, Arkansas and Texas in the business of producing, buying, transporting and selling natural gas, in which business it owns and maintains systems of pipelines among which is a twenty inch (20") line extending from Sterlington, Ouachita Parish, Louisiana, westward through the state of Louisiana to a point at or near Blanchard in Caddo Parish, where one of its branches extends further westward to a point in the [fol. 2] State of Texas near Waskom, the other extending in a northerly direction into Miller County, Arkansas,

2  
thence into the state of Texas through Atlanta and Texarkana and other points, and thence into the State of Arkansas to Little Rock in that state.

4

That from August 1st, 1932, until July 31st, 1933, the natural gas transported through the pipelines described was in part produced by petitioner from leases owned and operated by it in the Monroe and Richland fields in Louisiana, and in part purchased from other producers of gas in those fields, upon which all severance taxes due the state of Louisiana were paid when and as such gas was produced or purchased in accordance with the laws, regulations and practices applicable to such payments.

5

That of the total amount of the natural gas transported through the pipelines described from Sterlington, Louisiana, during the period mentioned in excess of eighty per cent. (80%) thereof was transported through the lines described and sold and delivered to purchasers in the states of Texas and Arkansas in interstate commerce.

6

That the lines described constitute the sole means of marketing the gas produced and purchased by petitioner in the Monroe and Richland fields; and that the pressure necessarily maintained in such lines is such that wells in the fields referred to cannot produce at their natural flow into the lines to permit the transportation and marketing of the product for which purpose petitioner owns and operates at Sterlington in Ouachita Parish, Louisiana, a compressor station known and referred to herein as the Munce Compressor Station.

[fol. 3]

7

Petitioner shows that the Munce Compressor Station consists mechanically of a number of pumps which are driven by ten (10) four cylinder Cooper Bessemer Internal Combustion engines, in all of which natural gas is used as fuel, buildings, employees' houses and a machine shop situated on land owned by petitioner and two (2) electric generators

propelled by gas burning Internal Combustion engines used to furnish electric energy for lighting the buildings at the Compressor Station and operating the machine shop and air Compressor; all of which are essential in the operation of the Compressor Station unit.

Petitioner shows that the number of engines and generators situated at the station is caused by the necessity of maintaining "stand-by" equipment for use in emergencies when other equipment does not properly function; that four (4) of the engines and one (1) generator described are made necessary for such purpose alone; and that the engines ordinarily employed in the operation of the plant seldom function at their maximum capacity.

That from August 1st, 1932, to July 31st, 1933, all gas delivered into petitioner's twenty inch line herein described at Sterlington and transported through said line to various points in Louisiana, Texas and Arkansas was compressed at the Munch Compressor Station through use of the equipment situated there; that such compression was essential and necessary to build up sufficient pressure in the line by volume of gas therein to permit constant withdrawals at distant points and the consequent transportation in the interstate commerce described; that the pressure in the line necessarily maintained for such purpose exceeded the rock [fol. 4] pressure of wells from which gas was received and that the product of such wells could not have been delivered into the line nor could they have produced at their natural flow and without the compression described.

Petitioner shows that the Munce Compressor Station, including lands, buildings and machinery enumerated by petitioner, was assessed for the purpose of ad valorem taxes imposed under the laws of the State during the years 1932 and 1933 at valuations exceeding Eight Hundred Thousand (\$800,000.00) Dollars, and that petitioner has paid all taxes levied against the property described based on such assessments.